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12-14-02

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Introduction and first reading:	12/10/2002
Public hearing:	12/14/2002
Second reading and enactment:	12/14/2002

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Article D (RETIREMENT AND INSURANCE), Chapter 5 (OFFICERS AND EMPLOYEES), Title 2 (GENERAL GOVERNMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance amends the provisions of the City Code which authorize and establish retirement and other insurance plans for city employees, to permit the administration of pension and disability plans by a board comprised of representatives of the City and of plan participants appointed by city council, if allowed under the plans' governing documents. In addition, the proposed ordinance makes technical changes to the general authorization language in the City Code to conform to actions and practices authorized by the city council over time in appropriating funds for employee retirement and insurance plans and related purposes.

Sponsor

Staff

Michele Evans, Assistant City Manager
Mark Jinks, Assistant City Manager
Henry Howard, Director of Personnel Services
Ignacio B. Pessoa, City Attorney

Authority

§ 8.06, Alexandria City Charter
§§ 15.2-1414.6, 15.2-1511, 15.2-1517, 51.1-603,
51.1-801, Code of Virginia, 1950, as amended

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

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ORDINANCE NO. _____

AN ORDINANCE to amend and reordain Article D (RETIREMENT AND INSURANCE), Chapter 5 (OFFICERS AND EMPLOYEES), Title 2 (GENERAL GOVERNMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Article D, Chapter 5, Title 2 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same is, amended and reordained to read as follows:

ARTICLE D
Retirement and Insurance

Sec. 2-5-51 Retirement plan--adopted for police, and fire department and sheriff personnel; effective date; signing of contracts, etc.

- (a) ~~The pension and disability plan of the Connecticut General Life Insurance Company submitted January 4, 1956; "defined benefit" retirement and disability income plan known as the "City of Alexandria Pension Plan for Firefighters and Police Officers," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for the personnel of the police and fire departments of the city covered by such plan and first employed before February 13, 1979, unless prior to May 30, 1979, an employee covered under such plan has elected to convert to a "defined contribution" plan set forth below to become effective on and after July 1, 1956, and the city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with such plan.~~
- (b) ~~Any personnel of the police and fire departments of the city employed on or before February 12, 1979 shall continue under the "defined benefit" plan set forth in subsection (a) above unless prior to May 30, 1979, they elected to convert to the "defined contribution" plan set forth in subsection (c) below. The "defined contribution" retirement plan known as the "City of Alexandria Retirement Income Plan for Firefighters and Police Officers," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for the personnel of the police and fire departments of the city first employed on and after February 13, 1979, and covered by such plan.~~
- (c) ~~The plan set forth in subsection (a) above shall not apply to any personnel of the police and fire departments of the city who are first employed on and after February 13, 1979. Said personnel shall be included under the "defined contribution" retirement income and disability income plans of the city. The city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with such plans. The "defined contribution" retirement plan known as the "City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue~~

Technicians," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for the personnel of the fire department and sheriff covered by such plan.

- (d) The plans designated in subsections (a) and (c) above shall be administered by the city manager or his designee. The "defined benefit" disability income plan known as the "City of Alexandria Firefighters and Police Officers Disability Income Plan," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for personnel of the police and fire departments of the city first employed on and after February 13, 1979, and covered by such plan.
- (e) The plans designated in this section shall be administered by the city manager or his designee, or by a board comprised of representatives of the city and the plan participants and appointed by the city council, as provided in the plan documents adopted and from time to time amended by resolution of the city council.
- (f) The city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with the plans designated in this section.

Sec. 2-5-52 Same--adopted for employees other than policemen and firemen; effective date.

The Virginia Supplemental Retirement System of the Commonwealth of Virginia, as provided by the General Laws of the Commonwealth, is hereby adopted for the eligible employees of the city other than policemen and firemen, to become effective on and after January 1, 1957.

Sec. 2-5-53 Same--when participation mandatory.

All employees on the payroll of the city on July 1, 1956 and January 1, 1957, shall have their choice as to whether or not they wish to participate in the plans adopted in the two (2) preceding sections. All persons employed in the police and fire departments after July 1, 1956 and all persons employed by other city departments after January 1, 1957 shall be required to join and participate in their respective plans.

Sec. 2-5-54 Same--supplemental plan.

- (a) The city supplemental retirement plan, entitled "City of Alexandria, Virginia Group Contract No. GA 8738," dated August 1, 1970 and underwritten by Bankers Life Company, The retirement plan known as the "City of Alexandria Supplemental Retirement Plan," as the same may be adopted and from time to time amended by resolution of the city council, is hereby adopted for the eligible employees of the city other than policemen and firemen. This plan shall be in addition to any other retirement plan now or hereafter adopted. The plan shall be effective August 1, 1970. The city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with such plan.

- (b) Employees on the payroll of the city on the effective date of the plan shall have their choice as to whether or not they wish to participate in the plan. Persons employed by the city after the effective date of the plan shall be required to join in and participate in the plan.
- (c) ~~The director of finance is hereby authorized to deduct and withhold employee's contributions, either voluntary or mandatory, for the plan. The director of finance is further authorized to expend the share of the city toward maintaining the plan.~~
- (d c) ~~The director of personnel, under the city manager, or his designee, shall administer the plan. Any action with respect to the plan taken prior to the passage of this section is hereby ratified, approved and confirmed.~~

Sec. 2-5-55 Group life insurance plan--adopted for all employees; effective date; signing of contracts, etc.

The group life insurance plan of the Lincoln National Life Insurance Company of Indiana, February 24, 1956, submitted by Charles F. Leef, adopted and from time to time amended by or with the approval of the city council is hereby adopted as the life insurance plan for all employees of the city, to become effective July 25, 1956. The city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with such plan. ~~The director of personnel, under the city manager, or his designee, shall administer the plan.~~

Sec. 2-5-56 Same--participation.

Employees are not required to participate in the life insurance plan. Participation shall be entirely voluntary.

Sec. 2-5-57 Salary deductions and withholdings for retirement; deferred compensation and insurance plans; payment of city's share to maintain plans.

The director of finance is hereby authorized to deduct, ~~and withhold~~ and remit employees' contributions, either voluntary or mandatory, for the plans adopted in ~~sections 2-5-51, 2-5-52, 2-5-55, 2-5-58 and to deduct, hold and administer payroll deductions in accordance with the plan adopted and established by section 2-5-61 of this code~~ in this article and health insurance plans for city employees authorized by law. The director of finance is further authorized to expend the share of the city toward maintaining or contributing on its behalf or on behalf of its employees to these plans, subject to appropriation of necessary funds by the city council.

Sec. 2-5-58 Deferred compensation plan (1974)--adopted for city and for all employees; signing of agreements; voluntary participation.

The Deferred Compensation Plan of the International City Management Association Retirement Corporation, amended as of June 28, 1974, The deferred compensation plan,

known as the "ICMA Retirement Corporation 457 Plan," as the same may be adopted and from time to time amended by or with the approval of the city council, is hereby adopted for the City of Alexandria, Virginia, and for all employees thereof. The city manager is authorized and directed to execute on behalf of the city the agreement proposed by the aforesaid deferred compensation plan and the master trust agreement attendant thereto all necessary documents in connection with the said plan. No employee of the city shall be required or directed to participate in the plan.

Sec. 2-5-59 Same--administration; signing of joinder agreements; contributions by city.

~~The director of personnel~~ city manager or his designee is hereby authorized and directed to administer the deferred compensation plan adopted in section 2-5-58 of this code, to do all things necessary by way of supervision, administration and implementation of the plan, and to contract with private corporations or institutions for services in connection therewith. The director of personnel may execute on behalf of the city joinder agreements with any employee of the city and all other agreements necessary for the said person's participation in the plan; except, that any such agreement which provides for the participation in the plan of the director of personnel shall be executed on behalf of the city by the city manager. No funds shall be contributed by the city to the plan on behalf of any employee, except as and to the extent the city council shall by resolution direct.

Sec. 2-5-60 Same--approval by the U.S. Internal Revenue Service and the Virginia Deferred Compensation Board Standards.

~~Sections 2-5-58 and 2-5-59 shall become effective when the deferred compensation plan is approved by the U.S. Internal Revenue Service and the Virginia Deferred Compensation Board. The plan shall at all times comply with the standards for the tax treatment of deferred compensation plans required by Section 51.1-604 of the Code of Virginia (1950), as amended.~~

Sec. 2-5-61 Deferred compensation plan (1982)--adoption and establishment of identified plan; voluntary participation; contributions by city: Reserved.

~~Pursuant to the authority provided by section 51-111.67:18 of the Code of Virginia (1950), as amended, there is hereby adopted and established for the city, a municipal corporation of Virginia, and its employees that deferred compensation plan entitled "The Deferred Compensation Plan of the City of Alexandria, Virginia" which was approved by action of the deferred compensation commission of Virginia on February 16, 1982, in accordance with the provisions of article 10, Government Employees Deferred Compensation Act; chapter 3.2, Virginia Supplemental Retirement Act; title 51, Pensions and Retirement of the Code of Virginia (1950), as amended. No employee of the city shall be required or directed to participate in the plan. No funds shall be contributed by the city to the plan on behalf of any employee, except as and to the extent the city council shall direct.~~

Sec. 2-5-62 ~~Same--designation of city manager to administer plan; authority; signing of joinder agreements.~~ Reserved.

~~Pursuant to section 51-111.67:18 of the Code of Virginia (1950), as amended, the city manager is hereby designated as the city officer to administer the plan established and adopted in the preceding section of this code. Subject to the approval of the city council, the city manager may delegate responsibility for administration of the plan to such other city official or employee as he shall appoint or designate as plan administrator for such purpose. On behalf of the city, the city manager may, directly or through the plan administrator, contract with one (1) or more private corporations or institutions for providing such services as may be a part of the plan or as may be deemed necessary or proper including, but not limited to, providing consolidated billing, individual and collection record-keeping and accountings, asset purchase, control and safekeeping. There is hereby conferred upon the city manager the authority to do, directly or through the plan administrator, all things by way of supervision, administration and implementation of such plan, including the power to contract with private corporations or institutions for services in connection therewith, as the state commission shall have determined to be proper pursuant to article 10, chapter 3.2, title 51, Code of Virginia (1950), as amended, and within the limits of the plan approved by the state commission; provided, however, that only the city manager is hereby authorized to execute contracts on behalf of the city entered into pursuant to the provisions of the plan, this section and section 2-5-61 of this code; provided further, however, that the plan administrator may execute on behalf of the city any joinder agreement(s) necessary for a city employee to participate in the plan, except that such agreement(s) which is necessary for the plan administrator to participate in the plan shall be executed on behalf of the city by the city manager.~~

Sec. 2-5-63 ~~Same--city liability limited.~~

~~The city as employer shall make this plan the deferred compensation plan established by section 2-5-58 of this code available to its employees as an employment benefit and shall make such payroll deductions as any individual employee shall direct, related to the plan. Beyond the administrative expense and responsibility for performing (a) deductions; (b) remittance of all funds to investment media selected by the employees from the options made available by the plan administrator; and (c) benefit distributions in accordance with employee instructions, the city, its officers, agents and/or employees shall bear no other responsibility or liability. It shall further be understood and by appropriate documentation it shall be made clear and binding upon employee participants that the city does not make any warranties or guarantees with respect to the plan and the city will bear no liability for the program other than as set forth above. Thus, by this section, express disclaimer and otherwise, the city shall bear no liability, other than as set forth above, for any compensation deferred under the plan and/or any investment vehicle, product, security and/or the performance thereof selected by a participant and purchased pursuant to under the plan.~~

Sec. 2-5-64 Same--other retirement, pension, etc., systems not affected.

The deferred compensation plan established by section ~~2-5-61~~ 2-5-58 of this code shall exist and serve in addition to all other retirement, pension or other benefit systems available to any city employees and shall not supersede, make inoperative or reduce any benefits provided by any other retirement, pension or benefit program established by law.

Sec. 2-5-65 ~~Same--a~~ Alteration, amendment or repeal of plans.

The city council reserves the right to alter, amend or repeal any provision of the plans adopted and established by section ~~2-5-61~~ and any provision of sections ~~2-5-61 through 2-5-65 of this code~~ this article; provided, however, that the amount of benefits which at the time of such alteration, amendment or repeal shall have accrued for participants or beneficiaries shall not be affected thereby. If the city council repeals the plan, it shall continue to be administered in accordance with its terms and provisions and those of the aforesaid sections of this code for the sole benefit of the then participants, any beneficiaries then receiving retirement allowances or benefits and any future persons entitled to receive benefits in accordance therewith who are so designated by any of the said participants.

Sec. 2-5-66 ~~Investment options.~~ Reserved.

~~The city reserves the right to modify, replace with a substitute or alternative, eliminate and/or add any investment option at any time in the best interest of the city as determined in its sole discretion. Thus, the city shall offer various investment options to its employees for the investment of their deferred compensation. Participants, however, shall have no vested right to have their deferred compensation invested in any particular investment product, option or preference other than as provided in section 2-5-65 of this code.~~

Section 3. That any actions taken by the city counsel, city manager, director of finance, director of personnel services, or their designees, with respect to the adoption, amendment or administration of the several retirement, disability, insurance and deferred compensation plans described in Article D, Chapter 5, Title 2 of the Code of the City of Alexandria, 1981, as amended, prior to the effective date of this ordinance be, and the same hereby are, ratified, approved, confirmed and continued in force and effect as of and from the date any such actions were taken.

Section 3. That this ordinance shall become effective on the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Introduction: 12/10/2002
First Reading: 12/10/2002

Publication: 12/12/02
Public Hearing: 12/14/02
Second Reading: 12/14/02
Final Passage:

ORDINANCE NO. 4284

AN ORDINANCE to amend and reordain Article D (RETIREMENT AND INSURANCE), Chapter 5 (OFFICERS AND EMPLOYEES), Title 2 (GENERAL GOVERNMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Article D, Chapter 5, Title 2 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same is, amended and reordained to read as follows:

ARTICLE D
Retirement and Insurance

Sec. 2-5-51 Retirement plan--adopted for police, fire department and sheriff personnel; effective date; signing of contracts, etc.

- (a) The "defined benefit" retirement and disability income plan known as the "City of Alexandria Pension Plan for Firefighters and Police Officers," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for the personnel of the police and fire departments of the city covered by such plan and first employed before February 13, 1979, unless prior to May 30, 1979, an employee covered under such plan has elected to convert to a "defined contribution" plan set forth below .
- (b) The "defined contribution" retirement plan known as the "City of Alexandria Retirement Income Plan for Firefighters and Police Officers," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for the personnel of the police and fire departments of the city first employed on and after February 13, 1979, and covered by such plan.
- (c) The "defined contribution" retirement plan known as the "City of Alexandria Retirement Income Plan for Deputy Sheriffs and Emergency Rescue Technicians," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for the personnel of the fire department and sheriff covered by such plan.
- (d) The "defined benefit" disability income plan known as the "City of Alexandria Firefighters and Police Officers Disability Income Plan," as the same may be adopted and amended from time to time by resolution of the city council, is hereby adopted for personnel of the police and fire departments of the city first employed on and after February 13, 1979, and covered by such plan.
- (e) The plans designated in this section shall be administered by the city manager or his designee, or by a board comprised of representatives of the city and the plan

participants and appointed by the city council, as provided in the plan documents adopted and from time to time amended by resolution of the city council.

- (f) The city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with the plans designated in this section.

Sec. 2-5-52 Same--adopted for employees other than policemen and firemen; effective date.

The Virginia Retirement System of the Commonwealth of Virginia, as provided by the General Laws of the Commonwealth, is hereby adopted for the eligible employees of the city other than policemen and firemen, to become effective on and after January 1, 1957.

Sec. 2-5-53 Same--when participation mandatory.

All employees on the payroll of the city on July 1, 1956 and January 1, 1957, shall have their choice as to whether or not they wish to participate in the plans adopted in the two (2) preceding sections. All persons employed in the police and fire departments after July 1, 1956 and all persons employed by other city departments after January 1, 1957 shall be required to join and participate in their respective plans.

Sec. 2-5-54 Same--supplemental plan.

- (a) The retirement plan known as the "City of Alexandria Supplemental Retirement Plan," as the same may be adopted and from time to time amended by resolution of the city council, is hereby adopted for the eligible employees of the city other than policemen and firemen. This plan shall be in addition to any other retirement plan now or hereafter adopted. The plan shall be effective August 1, 1970. The city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with such plan.
- (b) Employees on the payroll of the city on the effective date of the plan shall have their choice as to whether or not they wish to participate in the plan. Persons employed by the city after the effective date of the plan shall be required to join in and participate in the plan.
- (c) The city manager, or his designee, shall administer the plan.

Sec. 2-5-55 Group life insurance plan--adopted for all employees; effective date; signing of contracts, etc.

The group life insurance plan, adopted and from time to time amended by or with the approval of the city council is hereby adopted as the life insurance plan for all employees of the city, to become effective July 25, 1956. The city manager is authorized to sign all contracts and papers for and on behalf of the city in connection with such plan. The city manager, or his designee, shall administer the plan.

Sec. 2-5-56 Same--participation.

Employees are not required to participate in the life insurance plan. Participation shall be entirely voluntary.

Sec. 2-5-57 Salary deductions and withholdings for retirement; deferred compensation and insurance plans; payment of city's share to maintain plans.

The director of finance is hereby authorized to deduct, withhold and remit employees' contributions, either voluntary or mandatory, for the plans adopted in this article and health insurance plans for city employees authorized by law . The director of finance is further authorized to expend the share of the city toward maintaining or contributing on its behalf or on behalf of its employees to these plans, subject to appropriation of necessary funds by the city council.

Sec. 2-5-58 Deferred compensation plan --adopted for city and for all employees; signing of agreements; voluntary participation.

The deferred compensation plan, known as the "ICMA Retirement Corporation 457 Plan," as the same may be adopted and from time to time amended by or with the approval of the city council, is hereby adopted for the City of Alexandria, Virginia, and for all employees thereof. The city manager is authorized and directed to execute on behalf of the city all necessary documents in connection with the said plan. No employee of the city shall be required or directed to participate in the plan.

Sec. 2-5-59 Same--administration; signing of joinder agreements; contributions by city.

The city manager or his designee is hereby authorized and directed to administer the deferred compensation plan adopted in section 2-5-58 of this code, to do all things necessary by way of supervision, administration and implementation of the plan, and to contract with private corporations or institutions for services in connection therewith. The director of personnel may execute on behalf of the city joinder agreements with any employee of the city and all other agreements necessary for the said person's participation in the plan; except, that any such agreement which provides for the participation in the plan of the director of personnel shall be executed on behalf of the city by the city manager. No funds shall be contributed by the city to the plan on behalf of any employee, except as and to the extent the city council shall direct.

Sec. 2-5-60 Same- Standards.

The plan shall at all times comply with the standards for the tax treatment of deferred compensation plans required by Section 51.1-604 of the Code of Virginia (1950), as amended.

Sec. 2-5-61 Reserved.

Sec. 2-5-62 Reserved.

Sec. 2-5-63 Same--city liability limited.

The city as employer shall make the deferred compensation plan established by section 2-5-58 of this code available to its employees as an employment benefit and shall make such payroll deductions as any individual employee shall direct, related to the plan. Beyond the administrative expense and responsibility for performing (a) deductions; (b) remittance of all funds to investment media selected by the employees from the options made available by the plan administrator; and (c) benefit distributions in accordance with employee instructions, the city, its officers, agents and/or employees shall bear no other responsibility or liability. It shall further be understood and by appropriate documentation it shall be made clear and binding upon employee participants that the city does not make any warranties or guarantees with respect to the plan and the city will bear no liability for the program other than as set forth above. Thus, by this section, express disclaimer and otherwise, the city shall bear no liability, other than as set forth above, for any compensation deferred under the plan and/or any investment vehicle, product, security and/or the performance thereof under the plan.

Sec. 2-5-64 Same--other retirement, pension, etc., systems not affected.

The deferred compensation plan established by section 2-5-58 of this code shall exist and serve in addition to all other retirement, pension or other benefit systems available to any city employees and shall not supersede, make inoperative or reduce any benefits provided by any other retirement, pension or benefit program established by law.

Sec. 2-5-65 Alteration, amendment or repeal of plans.

The city council reserves the right to alter, amend or repeal any provision of the plans adopted and established by this article; provided, however, that the amount of benefits which at the time of such alteration, amendment or repeal shall have accrued for participants or beneficiaries shall not be affected thereby. If the city council repeals the plan, it shall continue to be administered in accordance with its terms and provisions and those of the aforesaid sections of this code for the sole benefit of the then participants, any beneficiaries then receiving retirement allowances or benefits and any future persons entitled to receive benefits in accordance therewith who are so designated by any of the said participants.

Sec. 2-5-66 Reserved.

Section 3. That any actions taken by the city counsel, city manager, director of finance, director of personnel services, or their designees, with respect to the adoption, amendment or administration of the several retirement, disability, insurance and deferred compensation plans described in Article D, Chapter 5, Title 2 of the Code of the City of Alexandria, 1981, as amended, prior to the effective date of this ordinance be, and the same

hereby are, ratified, approved, confirmed and continued in force and effect as of and from the date any such actions were taken.

Section 4. That this ordinance shall become effective on the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Final Passage: December 14, 2002